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# MUNICIPAL TENDERING PROCEDURES



Ontario

Ministry of Transportation and Communications



# Municipal Tendering Procedures



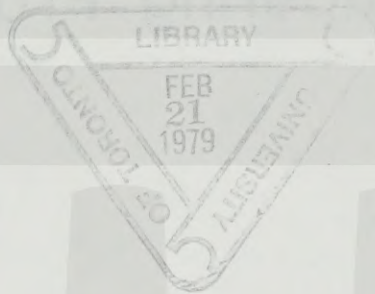
Ontario

Ministry of Transportation and Communications

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FEBRUARY, 1978



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## INTRODUCTION

This booklet describes an important phase of precontract work for public works contracts and other services and supplies, and is intended to promote sound administrative practice with respect to all types of tenders.

It is written in a very specific and somewhat rigid manner. The purpose of this style and format is to allow a municipality to adopt it as a working manual in its present form by incorporating it into appropriate administrative by-laws. Where it is felt that a particular aspect should vary somewhat, a revision can be made to that portion without difficulty.

The booklet is divided into three distinct parts.

### Part "A" General

Is general in content and discusses the tendering process. It is intended for the use of officials concerned with the overall process, but not involved closely with the administrative details.

### Part "B" Tendering Procedures

Is intended as a step-by-step procedure for the municipal staff responsible for the detailed administration of the tendering procedures.

### Part "C" Appendix

Includes specimen forms that have been used successfully by municipalities during the tendering phase, and some data on the qualification procedures of the Ministry of Transportation and Communications.

It is recommended for use in its entirety and discretion must be exercised by designated municipal officials if partial use of, or modifications to, these procedures are proposed.

The booklet was prepared in 1977 by representatives of:

The Municipal Engineers' Association  
The Association of Municipal Clerks &  
Treasurers of Ontario  
The Consulting Engineers of Ontario  
The Ontario Road Builders' Association  
The Ministry of Transportation and  
Communications

and has been endorsed by the executive heads of each organization.

Additional copies are available from the Records Services Office of the Ministry of Transportation and Communications, which is located at:

East Building  
1201 Wilson Avenue  
Downsview, Ontario  
M3M 1J8



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## PART "A"

### GENERAL

#### 1:01 DESIRABLE TENDERING AND AWARD PRACTICES:

The advertising of a tender and the subsequent award of a contract results in a very significant transfer of public funds to the private sector. The manner in which this transfer takes place must therefore be done in a formal, open and business-like manner and in accordance with procedures which have been carefully considered and approved by Council.

The approval should incorporate not only how the tendering process is to be carried out, but also what specific municipal officers are to carry it out and the specific responsibilities assigned to each of them.

#### 1:02 THE REQUIREMENTS AND DESIRABLE CHARACTERISTICS OF A CONTRACT

A Contract is an agreement between two parties covering the supply of goods or services. For a contract to exist between two persons or parties there must have been an offer on the part of one, and acceptance on the part of the other.

In municipal work the offer-acceptance sequence of events occurs as follows:

- (a) An invitation to tender is published to advertise the fact that the municipality is interested in entering into a contract.
- (b) Bids will then be submitted by persons wishing to undertake the work. In some instances the contract may be advertised as a "Qualified Contract" and only contracting firms who have "Pre-Qualified" are allowed to submit tenders. Pre-Qualification of bidders is a procedure whereby a contracting firm satisfies the municipality before it submits a tender that it is capable of satisfactorily performing the work.
- (c) A contract is entered into when the municipality accepts one of the tenders submitted.

There is no legal obligation on the part of a municipality to accept any tender submitted and it is customary to state this in the tender advertisement. An acceptance must not be conditional or qualified in any way, except as specified in the tender. For example, if the acceptance of a tender is to be conditional on the approval of the Minister of Transportation and Communications, this fact shall be set forth in the tender documents.

Contracts, when entered into, shall be fair and reasonable to both parties. The following are desirable characteristics of a tender:

- (a) Full disclosure shall be made of all pertinent facts known to the municipality relative to the project which might affect the tenderer's bidding.
- (b) Where there is a possibility that the contractor may encounter unusual conditions or may have to undertake extra work, provision shall be made for fair compensation.
- (c) A tender and contract shall be definite and specific on all points.
- (d) A reasonable period of time shall be allowed for the preparation and submission of bids.
- (e) A specific time limit between the receipt and the acceptance of a tender shall be included. Thirty (30) days is considered to be a reasonable maximum time period.
- (f) All quantities and measurements shall be as accurate as possible and the contractor shall be made aware of quantities that are estimated with a limited degree of accuracy.
- (g) All documents relating to a contract shall be written in a clear and precise style without contradictory stipulations.

#### 1:03 CONTRACT DOCUMENTS

The documents referred to above consist of the tender form, general conditions of contract, specifications of work, plans and drawings, and agreement to bond. The following is a brief description of these documents.

##### (a) Tender Form

The Tender Form when completed and properly signed is a legal offer by the bidder to do the contemplated work and must be drawn up with care. This protects the interests of both the bidder and the municipality.

The Tender Form shall be clear as to the type, location and extent of the work and shall contain all necessary declarations required of the bidder. The time limit for signing the contract, usually ten days after the date of acceptance, shall be clearly stated. Provision shall be made on the form to allow clear identification of the bidder and the price or prices to be paid for the work.

The municipality shall provide a standard tender form in order to ensure that all tenders are properly prepared and truly comparable. The tender shall contain all conditions of acceptance and a clause shall be included binding the bidder to such conditions. An example of this is the condition that acceptance of the bid is conditional upon the approval of the Minister of Transportation and Communications.

Specimen tender forms will be found in the Appendix.

(b) General Conditions of Contract (Form M-100)

In most engineering work there are many provisions of a general character necessary to a construction contract that by reason of their wide applicability may be regarded as standard. General Conditions set forth the duties, authority, responsibility and relationships of the contracting parties and their representatives in the conduct of the work. (Special arrangements specific to a particular contract shall be covered in the Special Provisions). Standard General Conditions (Form M-100) for municipal work is available from the Ministry of Transportation and Communications and is recommended for use.

(c) Standard Specification of Work

Standard Specifications govern construction procedures, materials, workmanship, measurement and basis for payment applicable to all work of a specific nature. For example, rules concerning concrete forming, pouring and finishing can be specified and will be applicable to many contracts. Therefore, they need not be written expressly for each individual contract. Revision dates should be noted for each specification to ensure the correct one is used.

Municipalities are encouraged to include in their contracts specifications that are widely used and are familiar to those bidding on the work. The Standard Specifications developed by the Ministry of Transportation and Communications are available for municipal use.

(d) Special Provisions

Special Provisions define conditions that are specific to one particular contract. Examples of this type of provision would be a working restriction due to an environmental constraint or the amendment of a general condition or standard specification particular to the one contract.

(e) Agreement to Bond

The inclusion of an Agreement to Bond Form in the tender documents is recommended for all municipal contracts. This form is signed and sealed by a bonding company and in effect establishes with reasonable certainty that the bidder will be able to obtain the necessary performance bond if his tender is accepted by the municipality. In this way the municipality is protected to some extent against delays and loss resulting from the successful bidder finding that he is unable to obtain the necessary bond.

A specimen Agreement to Bond Form will be found in the Appendix.

(f) Plans and Drawings

Plans and drawings show the type and extent of the proposed work. They are used to show the location, the various dimensions, and the type of the work in a concise diagrammatical manner. They shall give sufficient information along with the written data in the tender documents to outline the requirements of the Engineer and to permit the bidder to intelligently prepare a tender for the work.

Errors and discrepancies in plans or specifications do not generally annul or vary a contract. Generally, where there is a discrepancy, the plans take precedence over the specifications, and figured dimensions take precedence over scaled dimensions. The precedence must be established in the General Conditions of the contract. Standard Drawings developed by the M.E.A. and M.T.C. are recommended for municipal use.

## 1:04 TYPES OF CONTRACTS

The types of contracts usually entered into by a municipality with some comments on the advantages and disadvantages of each are:

### Lump Sum Contract

A Lump Sum Contract is one in which payment is made on a stipulated bid amount for the entire project. This type of contract is recommended for the supply and erection of structural steel and pre-cast beams, general building construction and maintenance contracts such as bridge painting.

#### Advantages

- less time is spent by the Engineer in calculating the quantities in the work
- it is not necessary to measure exactly the finished work

#### Disadvantages

- if work is less than anticipated there is no way of reducing the bid price
- individual item prices are unknown when evaluating bids received.

#### Unit Price Contracts

A Unit Price Contract is one in which payment is made at a stipulated unit price for actual measured quantities for each item. This type of contract is recommended for all types of road, bridge and culvert construction and for maintenance contracts such as gravelling, priming, surface treatment and hot mix patching.

In some cases a unit price contract may contain some items that are bid on a lump sum basis. Examples of this are the placing of a concrete bridge deck or the supply of pile driving equipment.

#### Advantages

- the contractor is protected from loss due to actual quantities being more than expected
- protects municipality when work is less than expected as payment is based on actual measured quantities
- more flexible than lump sum when alterations necessary
- individual item prices known when evaluating bids received

#### Disadvantages

- ultimate cost unknown as cost dependent on actual quantities
- necessary to itemize work on tender

1:05 CLOSING DATE OF TENDER

The Municipality determines the tender closing date guided by the following:

(a) the time required by the bidder to prepare and submit a tender. For Advertised Contracts the normal period of tender call is

(i) Unqualified Contracts - not less than three weeks

NOTE: Unqualified contracts are contracts for which bidding is not restricted to contractors who have been established as "pre-qualified" in accordance with required procedures.

(ii) Qualified Contracts - not less than five weeks

NOTE: Qualified contracts are contracts for which bidding is restricted to contractors who have been established as "pre-qualified" in accordance with the required procedures.

(b) urgency of the requirement

1:06 OPENING OF TENDERS

The opening of tenders by a municipality shall take place immediately after the closing time, preferably within one or two hours, but always on the same day. Without exception this shall be done in public.



PART "B"

TENDERING PROCEDURES, REQUIREMENTS AND MATERIALS

2:01 DESIGNATED OFFICIALS

The term "designated official" is used throughout this booklet; it is important that the meaning is well understood. Briefly the designated official (s) have the following functions to perform:

- (1) Clerical - releasing, recording and receiving tenders and ensuring their safekeeping.
- (2) Tender Opening Chairman - recording and checking of bids.
- (3) Adjudicator - answering queries of prospective bidders, considering extensions of time, and reviewing bids received, ruling on the acceptance of those not completely meeting the tender requirements and preparing a report and recommendations to Council.

Desirably three different officials should be designated to perform these three functions.

2:02 PRE-QUALIFICATION

Pre-Qualification is a procedure whereby a bidder satisfies the municipality that he is capable of performing the work before he is allowed to submit his tender. Where contractors are required to be pre-qualified, it follows that the contract, if awarded at all, must be awarded to the lowest bidder. The Ministry of Transportation and Communications will assist municipalities wishing to pre-qualify contractors, by applying the Ministry's pre-qualification procedure to prospective bidders and advising the municipality whether such bidders are pre-qualified under it. Due to practical limitations of the Ministry's pre-qualification procedure it is not applied to contracts having an estimated value of less than \$50,000.00.

For contracts with a value between \$50,000.00 and \$500,000.00 pre-qualification procedures offer a number of advantages but for contracts with higher values they should be considered mandatory.

When a municipality wishes to use the Pre-Qualification Procedure of the Ministry of Transportation and Communications, it should contact the Ministry's District Office. Arrangements can then be made to have the appropriate notice contained in the advertisement for tenders advising the pre-qualification rating required to bid on the work. Each contractor wishing to bid on the work will then contact the Ministry's Qualification Accountant in Toronto and request him to advise the municipality of his qualification.

## 2:03 ADVERTISING

In order to attract as many competent bidders as possible, requests for tenders shall always be placed in at least one major construction trade publication and, if the municipality so desires, in the local press. Tender requests for minor projects are an exception to this rule and may be placed in the local press only. Advertising in this manner may attract the largest number of competent bidders and increase competition. Coverage may be extended for contracts requiring special techniques or type of work.

Advertisements should appear in the press at least twice, and sufficient time between advertising and tender closing shall be allowed to permit a contractor to examine the site, obtain the tender documents, complete and submit his tender.

Typically, an advertisement shall contain the following information:

- (a) the name of the municipality
- (b) the contract number
- (c) the type of work
- (d) the official designated to receive tenders
- (e) the time of closing
- (f) the location of the work
- (g) the location where plans and specifications may be obtained
- (h) the charge, if any, for contract documents
- (i) the type of security that must accompany the tender
- (j) the bonding requirements
- (k) the time and place of opening
- (l) information that "The lowest or any tender, not necessarily accepted"
- (m) pre-qualification requirement

A typical advertisement is shown in the Appendix

## 2:04 RELEASE OF INFORMATION TO BIDDERS

Upon the request of a prospective bidder the Designated Official shall supply the following material for each contract:

- (i) two copies of the official tender form
- (ii) one standard tender envelope of distinctive colour (sample envelope shown in Appendix)
- (iii) tendering material e.g. specifications, plans, profiles, etc. (M.T.C. specifications not usually provided but available on request).
- (iv) an agreement-to-bond form (if used)

- NOTE (1) Additional procedures shall be followed when pre-qualification is a requirement of the contract. See pages 41-44.
- (2) When a fee for tendering material is required it shall be paid to the municipality.
  - (3) When a fee is refundable it will be returned when tendering material is returned in good order.

## 2:05 RECORDING AND CONTROL OF TENDERING MATERIAL

A list of plan takers shall be maintained by the Designated Official responsible for issuing tendering material. The list shall be available to the public.

NOTE: It is essential that names, addresses and telephone numbers are recorded when tenders are released to facilitate distribution of addenda and when necessary to extend or cancel a contract under call.

## 2:06 TENDER REQUIREMENTS

Tenders are required to conform to the conditions listed below and those failing to do so may be subject to disqualification.

- (a) The correct Tender Form, as supplied by the municipality, must be used and in the possession of the Official Designated to receive tenders, or his duly authorized representative on or before the Tender Closing Date and Time. BIDS RECEIVED AFTER CLOSING TIME WILL NOT BE CONSIDERED.

- (b) The Tender must be legible, written in ink or typewritten and ALL ITEMS MUST BE BID, where stipulated, with the unit price for every item and other entries clearly shown.
- (c) Alternative proposals will not be considered unless requested in the tender documents.
- (d) The bid must not be qualified by any statement added to the Tender Form or a covering letter, or alterations to the Tender Forms (unless requested by the municipality).
- (e) Adjustments by telephone, telegram or letter to a Tender already submitted will not be considered. A Bidder desiring to make adjustments to a Tender must supersede it with a later Tender submission.
- (f) The Official Tender envelope supplied by the municipality must be used for tendering purposes without any extra exterior covering. Provision shall be made on the Tender envelope for the contract number, closing date and the actual time of receipt.

NOTE: It is recommended that, other than the actual time of receipt, this information be completed by the municipality at the time the envelope is issued.

- (g) The Tender Form must be signed in the space (s) provided with the signature of the bidder or of a duly authorized Official of the organization bidding. If a joint bid is submitted, it must be signed on behalf of each of the bidders and if the signing authority for both bidders is vested in one individual he shall sign separately on behalf of each bidder. In the case of an incorporated company the corporate seal must be affixed to the Tender Form.

Qualified Contract tender form (s) must be submitted under the name of a contractor (group of contractors) who has (have) been approved as having the required rating for the contract being bid.

- (h) Erasures, overwriting or strike-outs must be initialled by the person signing on behalf of the organization bidding.
- (i) The Tender shall be accompanied by an Agreement to Bond, if required, and a tender deposit in the form of a certified cheque, bank draft or money order made payable to the MUNICIPALITY in the amount specified in the tender. THESE MUST BE ENCLOSED IN THE SAME ENVELOPE AS THE TENDER.

## 2:07 DEPOSIT REQUIREMENTS

Each bidder shall be required to deposit security with his tender, the amount of which will vary depending upon the value of the tender.

Normal deposit requirements for municipal contracts are as follows:

<u>TOTAL AMOUNT OF BID</u>	<u>MINIMUM DEPOSIT REQUIRED</u>
20,000.00 or less	1,000.00
20,000.01 to 50,000.00	2,000.00
50,000.01 to 100,000.00	5,000.00
100,000.01 to 250,000.00	10,000.00
250,000.01 to 500,000.00	25,000.00
500,000.01 to 1,000,000.00	50,000.00
1,000,000.01 to 2,000,000.00	100,000.00
2,000,000.01 and over	200,000.00

If any of the tender and deposit requirements have not been met the Tender shall be considered to be an "Improper Bid".

The security is held by the municipality to ensure that the tenderer will enter into a formal contract with the municipality, and when he does so, the security is returned to him. The security of all bidders, except that of the lowest and the next lowest bidder shall be returned immediately after the tender opening. The tender shall state that the security will be forfeited to the municipality if the accepted tenderer fails to enter into the formal contract (see also withdrawal of tenders).

Various types of security and comments on each are noted in the following:

1. A Certified Cheque Bank Draft or Money Order is the best form of security and can be turned into cash at once by depositing it in a bank. With a certified cheque no third party (other than the bank) is involved. However, if a contractor is bidding on a number of jobs at once, the requirement to provide security in the form of certified cheques may severely reduce his working capital. From a small contractor or one with limited resources, this can be a real hardship.
2. Bearer Bonds that are guaranteed as to redemption value on demand and other security that can be readily converted into cash are comparable to a certified cheque, and have the same inherent advantages.

3. A Bid Bond is an undertaking by a surety company to pay to the municipality the money stated in the bond if the contractor fails to enter into a contract, and is the least desirable of the three types of securities. If the contractor defaults, and the surety company refuses to make good the bond, it may be necessary to sue the company to recover the money owing the municipality. This puts the municipality in a less desirable position than if it had a certified cheque from the contractor.

NOTE: Tender deposit cheques or other security shall not be cashed or deposited unless the successful bidder fails to enter into the formal contract.

## 2:08 BONDING REQUIREMENTS

### 1. Performance Bond

In order to protect the municipality, security to guarantee the completion of the contract is required. It is recommended that this security be in the form of a Performance Bond issued by an approved Bonding company for 100% of the amount of the tender, or, in the form of cash or acceptable collateral, which can readily be converted into cash, totalling 100% of the amount of the tender. The bond or collateral should be furnished by the successful tenderer when the contract agreement is signed. In cases where the Prequalification Procedure is used the Performance Bond requirement can generally be reduced to 50% of the amount of tender.

A Performance Bond provides for the completion of the work within the terms of the contract with the liability of the Bonding Company being limited to the amount of the bond. The municipality shall ensure that all actions and agreements are within the provision of the contract, otherwise the Bonding Company may be wholly or partially released from its obligation. Improper or unwarranted payments, unreasonable delay in reporting the failure of the contractor, new arrangements with the contractor, extensive changes or alterations in the contract, unauthorized extension of time, and premature payment of hold back or other lawfully retained monies are examples of actions which could release the Bonding Company wholly or partially from its obligation.

The municipality should also advise the Bonding Company of any problems that may arise during the course of the contract so that the company will be fully advised of the contractor's position as the work progresses.

## 2. Labour and Materials Payment Bond

Many municipalities feel they have a moral obligation to protect their local labour and material suppliers to the fullest extent and require the successful tenderer to provide a Labour and Materials Payment Bond as well as a Performance Bond when the contract agreement is signed.

Since a municipality cannot be held responsible for a contractor's labour and material debts, except as provided for by the provisions of the Workman's Compensation Act and the Mechanics Lien Act, a Labour and Materials Payment Bond is not necessary to protect the municipality.

Under the provisions of the Workman's Compensation Act a municipality is responsible for payments to the Board upon default by the contractor. It is recommended that a municipality obtain from the contractor before payment of the final payment certificate, a clearance in the form of a certificate signed by the Workman's Compensation Board stating that the contractor is in good standing.

A municipality can protect itself against liens filed under the provisions of the Mechanics Lien Act by fulfilling the requirements of this Act with respect to payments held back from the contractor.

## CHANGES TO TENDERS UNDER CALL ( ADDENDA, EXTENSION OF TIME OR CANCELLATION)

### 3:01 PREPARATION OF ADDENDUM

Interpretations should be made in reply to queries from bidders only in the form of written addendum.

When it becomes necessary to revise, delete, substitute or add to tendering material for a contract under call, the Engineer shall approve the issuance of an addendum.

### 3:02 NOTIFICATION OF ADDENDUM TO PROSPECTIVE BIDDERS

A copy of each addendum shall be forwarded by registered mail to each prospective bidder who obtained tender forms for the contract.

A copy of the addendum notice shall also be stapled to each tender form not yet distributed.

If an addendum notice is prepared too late to allow notification by mail prior to the contract closing time, in addition to mailing the notice, each prospective bidder who obtained tender forms for the contract shall be notified of the revision by telegram, and the closing date shall be extended.

In addition to the above procedure, it is desirable to give prior notice of the mailing to the prospective bidder by telephone.

### 3:03 CONTRACT EXTENSION OF TIME

When it becomes necessary to extend the closing date for receiving tenders for a contract, an advertisement setting out the new closing date shall be inserted in the publication originally used.

Appropriate municipal departments and outside agencies shall be notified of the extension of time.

### 3:04 NOTIFICATION TO PROSPECTIVE BIDDERS OF EXTENSION OF TIME

Each prospective bidder who received tender documents shall be notified by registered mail of the extension of time. In addition to the above procedure, prior notice of the mailing by telephone is suggested.

### 3:05 DISPOSITION OF TENDERS WHEN CLOSING DATE HAS BEEN EXTENDED

When the closing date for receiving tenders has been extended, tenders already received shall be handled as follows:

- (a) If the extension of time is two weeks or less the prospective bidders shall be advised that his tender will be returned upon request.
- (b) If the extension of time is more than two weeks, all tenders shall be returned unopened.

All communications by mail shall be registered.

### 3:06 ACTION WHEN THE CONTRACT IS CANCELLED OR CANCELLED AND RECALLED

When, in the opinion of the Municipality, it is advisable to cancel a contract under call, an advertisement shall be inserted in the same publication originally used, stating that the contract has been cancelled. Advertisements giving notice of cancellation should include information that the contract will not be recalled or will be recalled at a later date.

Appropriate municipal departments and outside agencies shall be notified of the cancellation.

### 3:07 NOTIFICATION TO PROSPECTIVE BIDDERS OF CANCELLATION OF CONTRACT

Each prospective bidder who received tender documents shall be notified by registered mail of the cancellation of the contract. In addition to the above procedure, prior notice of the mailing shall be given by telephone.



### 3:08 RETURN OF TENDERS ON CANCELLATION OF CONTRACTS

When a contract is cancelled no tenders will be accepted.

All tenders received shall be returned unopened to the bidder by hand or by registered mail with a covering letter.

### RECEIVING TENDERS

#### 4:01 TENDER BOXES, ENVELOPES, DATE STAMPING, RECORDING, ADJUSTMENTS

(a) Tender Boxes

A locked metal box with twin locks shall be provided by the Official designated to receive tenders for the safekeeping of tenders, and the keys for each lock shall be held by separate municipal officials.

(b) Tender Envelopes (Sample in Appendix)

Tenders received in other than the tender envelope supplied shall not be accepted and shall not be deposited in the tender box. When this happens the bidder shall be advised, by telephone if necessary, that his tender can not be accepted and that he must use the envelope supplied or his tender will be returned unopened, as provided for in paragraph 4:01 (e) below.

(c) Time and Date Stamping and Recording of Tenders

When a tender is received, the envelope shall be time and date stamped. If a time stamp is not available, the time received shall be noted in ink and initialled by the receiver and shall be deposited unopened in the proper tender box.

NOTE: THE NUMBER OF BIDS RECEIVED AND NAMES OF BIDDERS IS CONFIDENTIAL AND MUST NOT BE DIVULGED PRIOR TO THE TENDER OPENING.

(d) Official Time

To ensure accurate time, the official designated to receive tenders shall ensure that he is using the correct time.

(e) Late Tenders

Regardless of the time a bid is received, the envelope shall be time and date stamped. If the bid is for a contract already closed it shall be returned unopened to the bidder. If a tender is to be returned by mail, it shall be accompanied by a covering letter stating that the tender could not be accepted due to late arrival. The same explanation can be courteously given when refusing bids delivered in person.

NOTE: If a late bid is received without a return address on the envelope it shall be opened by the designated official, address obtained and then returned. The covering letter should state why the envelope could not be returned unopened.

(f) Action on Correspondence Pertaining to Adjustments, Corrections or Restrictions to a Tender

Any correspondence, pertaining to adjustments, corrections or restrictions to a tender, which is received with a tender but outside the tender envelope or is received after a tender has been submitted but prior to closing time, shall not be considered, see 2:06 (d) and (e). Depending on the time available the bidder shall be advised by mail or phone of the withdrawal procedures.

#### WITHDRAWAL PROCEDURES

##### 5:01 WITHDRAWAL OF TENDERS PRIOR TO TENDER CLOSING

A contractor who has submitted a tender on a contract may request that his tender be withdrawn. (Adjustments or corrections to a tender submitted will not be allowed). The withdrawal shall be allowed if the request is made before the closing time for the contract to which it applies. Withdrawal requests must be directed to the Designated Official by letter, telegram or in person. Telephone requests shall not be considered.

When withdrawals are made in person, the Official receiving tenders shall obtain a signed withdrawal form confirming the details. If the person is other than a Senior Official of the Company, and for letter or telegram withdrawals, the authenticity of the request must be confirmed by telephoning a responsible Official of the Company.

Tenders confirmed as withdrawn prior to being placed in the tender box, shall be returned unopened to the contractor. Withdrawal notices received after the tender has been deposited shall, together with the confirmation of withdrawal be placed in the tender box. These bids are dealt with at the opening by announcing that the tender was withdrawn. The bid amount of a withdrawn tender shall not be read out.

The withdrawal of a tender does not disqualify a bidder from submitting another tender on the same contract.

Withdrawal requests received after the contract closing time will not be allowed. The party concerned shall be informed that the withdrawal request arrived too late for consideration.

#### 5:02 WITHDRAWAL OF TENDERS DURING TENDER OPENING

In some instances several contracts are opened at the same tender opening. At such an opening, at the conclusion of the reading out of bids on a contract, the low bidder on that contract may withdraw any of his remaining tenders. Tenders withdrawn under this procedure cannot be reinstated.

If more than one tender is read out under the same name for the same contract and no withdrawal notice has been received, the tender contained in the envelope bearing the latest date and time stamp shall be considered the intended bid. The first tender received shall be considered withdrawn and returned to the bidder in the usual manner.

#### TENDER OPENING AND CHECKING PROCEDURES

NOTE: Tender opening shall take place as soon as possible after closing time, preferably within one or two hours but always on the same day.

#### 6:01 OPENING TENDERS

##### (a) Public Opening of Tenders

Tender openings for all contracts shall be open to the public and shall be conducted under the chairmanship of the Designated Official.

##### (b) Draw to Determine Order in which Contracts will Be Dealt with

Where there are two or more contracts to be opened at the same time a lottery shall be held to determine the order in which contracts will be dealt with at the opening.

##### (c) Opening of Tender Box

When the order in which contracts will be dealt with has been established, the Designated Officials holding the keys to the locks, shall open the tender box and remove the contents.

(d) Action on Correspondence requesting Withdrawal when Tender Box Opened

Any correspondence requesting withdrawal of a tender shall be read by the Designated Official who shall state the nature of the correspondence, the name of bidder and the contract number. He shall then attach the withdrawal notice to the tender envelope which shall remain unopened.

(e) Opening and Sorting of Tenders

When the correspondence in the tender box has been dealt with, the remaining tenders shall be opened. Each tender form shall be stapled to the applicable tender envelope, the deposit cheque clipped to the tender form and the tenders sorted according to the contract number.

(f) Action on "Unknown" Tenders at Tender Opening

Any tender that does not have the contract number on the envelope shall be opened and placed with the other tenders for that contract.

(g) Action on Correspondence Found Enclosed in Tender Envelope

If correspondence is found enclosed with a tender in the tender envelope that tender shall be considered to be an "IMPROPER BID" and shall be so noted in the record of tenders opened and the tender read out in the normal manner. This correspondence and the tender shall be referred to the Designated Official for decision as to acceptance or rejection.

(h) All Tenders Received Must be Accounted For

When tenders have been opened and sorted, the Designated Official shall check the number of tenders opened to ensure that all tenders received are accounted for. If a discrepancy occurs, the tender opening proceedings shall be delayed until all tenders have been accounted for.

(i) Reading Out of Bid Amounts Etc.

When all tenders have been accounted for, the Designated Official shall announce for each contract, the contract number, and the number of bids received and for each tender, the name of the bidder and total bid amount.

(j) Listing of Information Read Out

After reading out the bid amount the Official shall have a list prepared in order of bid amount from low to high recording the name of each bidder, the amount of the tender and the deposit cheque amount on the Record of Tenders Opened (see sample form in Appendix).

(k) Action When Correspondence Requesting Withdrawal Attached to Tender

When, during the reading out of tenders, the Official receives a tender that has correspondence requesting withdrawal attached, he shall read out the contract number, and the bidder's name and indicate to those in attendance that the tender is one previously announced as withdrawn at the request of the bidder.

The bidder's name for each withdrawn bid shall be recorded immediately following the names of the bidders whose tenders will be considered, noting the method and date of withdrawal.

NOTE: If, during the reading out of tenders, the Official receives a tender with correspondence other than a withdrawal request attached, he shall read out the tender in the normal manner.

(l) Action When All Tenders Have Been Read Out and Recorded

When all tenders for a contract have been read out and the information has been recorded by the Designated Official, the Chairman shall close off the Record of Tenders Opened by drawing a diagonal line in the unused space under the information listed and sign the form.

(m) More Than One Tender Under Same Name

During the reading out of tenders the Designated Official shall check for more than one tender under the same name (Without a notice of Withdrawal). If this situation occurs, it shall be dealt with as in 5:02.

If two tenders for the same contract are received in the same tender envelope, (Contractor's copy included) the signed copy or if both are properly executed and prices differ the lower price shall be considered the intended bid, which shall be processed in the normal manner.

(n) Preparation of Notice of Withdrawal of Tender During Tender Opening

A contractor, read out as low on a previous contract who desires to withdraw a tender(s) during an opening shall attest in writing to his identity and state the contract(s) on which he desires to withdraw. The Notice of Withdrawal of Tender must be signed by the contractor. This Notice must be handed to the Chairman before the reading out of the first tender on the contract(s) to which it applies. A specimen Notice of Withdrawal form will be found in the appendix.

The Chairman shall have the completed notice attached to the applicable tender. The Official presented with the tender and withdrawal notice shall read out the bidder's name and announce that the tender has been withdrawn in accordance with established procedure.

The Official shall not read out the bid amount of a withdrawn tender.

NOTE: A contractor who withdraws a bid on the strength of being read out as low bidder on a previous contract does not have the right to reinstate the withdrawn tender if subsequent checking proves that his tender on the previous contract was not in fact low.

#### 6:02 CHECKING TENDERS

The purpose in checking tenders is to determine whether -

- (i) all tendering requirements have been met
- (ii) all unit prices have been correctly extended
- (iii) the extensions have been correctly totalled

Tenders which do not conform to tender requirements or which require mathematical correction (s) shall be deemed "Improper Bids".

NOTE: All checking shall be completed by the Officials responsible immediately following the opening of tenders.

All tender documents shall be checked to ensure that:

- (1) the bidder's name and tender amount shown on the Record of Tenders Opened is correct
- (2) the tender form is signed as necessary, sealed or witnessed
- (3) the correct tender form and envelope have been used
- (4) each tender envelope is time and date stamped prior to the contract closing time
- (5) the deposit (when applicable) is sufficient and in an acceptable form
- (6) each item on the tender has been bid

- (7) all extensions and the total for each tender are correct. If an extension or total is incorrect, the checker shall cross out the incorrect figure shown on the tender form, enter the correct figure in red above it and initial the entry. If the extensions and total are correct the checker shall affix a numbered stamp or initial each tender adjacent to the total certifying that it has been checked.
- (8) the tender is free of restrictions or alterations
- (9) all other tendering requirements have been met

#### AWARD PROCEDURES

##### 7:01 CONTRACT ON WHICH ALL BIDS ARE IN ORDER

When tenders have been checked, the Designated Official (adjudicator) shall review the bids in order to recommend an award.

##### 7:02 CONTRACT ON WHICH IMPROPER BIDS HAVE BEEN RECEIVED

Following completion of the checking procedures outlined in 6:02, bidding infractions, if any, shall be noted on the Record of Tenders Opened. This notation must clearly state the reason the bid is considered improper. The Designated Official shall then decide on the acceptance or rejection of all tenders noted as improper on the Records of Tenders Opened.

##### 7:03 BASIS OF DECISIONS ON REJECTION OR ACCEPTANCE OF IMPROPER BIDS

The decision as to whether an improper bid shall be rejected or accepted shall be based upon the following general considerations.

- (i) is the intention of the bidder clear?
- (ii) has the bidder made a conscientious attempt to comply with the Tender Requirements?

Extreme care must be exercised by the Designated Official responsible to ensure that Improper Bids are handled in a manner which is fair to other bidders as well as to the public. The following are guidelines and are only intended to illustrate some of the discretion allowable: Bids described in (a) to (f) inclusive would be rejected. Bids described in (g) to (j) may, with proper discretion, be accepted by the adjudicator who must record his decision and reasons and must be prepared to explain them if requested.

- (a) Late Bids - must be rejected
- (b) Tender Form or Envelope not used - must be rejected
  - (i) bids received on other than supplied tender forms must be rejected
  - (ii) bids received in other than the tender envelope supplied must be rejected
- (c) Bids Not Completed in Ink or by Typewriter - must be rejected

- (d) Incomplete Bids (all Items Not Bid) - must be rejected

Part bids must be rejected except when the tender form clearly states that an award may be made for individual items (e.g. contracts such as equipment rental or some material contracts which are in effect several individual contracts combined).

- (e) Qualified Bid - must be rejected

If a bid is restricted by a statement added to the tender form or a covering letter or alterations to a tender form it must be rejected unless the change was requested by the Municipality (e.g. F.O.B. point changed, escalator clause, etc.)

- (f) Bid not Signed - must be rejected
- (g) Erasures, Overwriting or Strikeouts not initialled

Providing the price is legible these bids may be accepted

- (h) Arithmetic Errors

Bids containing arithmetic corrections from the checking procedure may be accepted. Bid unit prices shall ordinarily be used to correct extensions. Where there are obvious errors such as incorrect extensions or misplaced decimals the designated official shall consider the intent of the bidder.



(i) Deposit not Submitted or of Insufficient Amount

If a cheque, bank draft or money order is not submitted the tender must be rejected, but if a cheque, bank draft or money order for insufficient amount is submitted, a bidder may be allowed a reasonable time to submit sufficient deposit. If the deposit is not received within the time allotted the bid must be rejected.

(j) Agreement to Bond

If an agreement to bond is not submitted, when required, the tender must be rejected, but if an agreement to bond is not properly executed a bidder may be allowed a reasonable time to have it corrected. If the corrected agreement is not received within the time allotted the bid must be rejected.

7:04 ACTION WHEN TIE BIDS ARE RECEIVED

In the event that more than one bidder has submitted a low tender in the same amount they shall be advised that the tender to be accepted will be decided by means of a draw. The names of tied bidders shall be placed in a container and the tender to be accepted shall be drawn by a Designated Official. The time and location of the draw shall be set by a Designated Official and the bidders shall be so advised in order that they may be present. The following shall be present: Designated Officials

Any of the bidders, or their authorized representatives.

Should any bidder elect not to be represented at the draw, the draw will proceed regardless.

7:05 DECISIONS ON IMPROPER BIDS

When an improper bid must be rejected as outlined in section 7:03, the amount of the tender shall not be recorded on the Record of Tenders Opened but the words "Rejected Bid" shall be recorded instead.

When an improper bid is one that may be accepted as outlined in section 7:03 it shall be noted as an "Improper Bid" on the Record of Tenders Opened along with the amount of the tender. All tenders shall then be referred to the Designated Official appointed as Adjudicator for review. In his review to council he shall include all bids that are improper, he shall recommend acceptance or rejection of any bid, and recommend the award to the successful bidder, or if necessary, the cancellation of the contract.

#### 7:06 DISPOSITION OF WITHDRAWN TENDERS

Following the tender opening, the officials responsible, shall return withdrawn tenders and the deposit cheques (when applicable) to the bidders by registered mail or by hand. If a tender and deposit cheque is returned by hand, a letter acknowledging receipt must be signed by the bidder or by an official identified as a representative of the bidding organization.

#### 7:07 DISPOSITION OF DEPOSIT CHEQUES

Immediately following the opening of tenders, all deposit cheques other than the low and second low bidders shall be returned to the applicable bidders by registered mail.

The tender deposit cheques that are retained, shall NOT, under any circumstances, be cashed except as noted in 7:11.

#### 7:08 NOTIFICATION OF ACCEPTANCE OF TENDER

Upon the award of the contract the Designated Official shall immediately send a Notification of Acceptance to the successful bidder advising him that his tender has been accepted, and advising that documents follow for execution.

The acceptance of Tender and award of the contract shall be carried out as quickly as possible. This is especially important if the tender contains a time limit for acceptance (usually 30 days) and it is necessary to obtain the approval of another authority before the tender can be formally accepted.

#### 7:09 EXECUTION OF CONTRACT

When the tender has been accepted the formal contract agreement shall be submitted to the contractor for execution. The contractor shall be allowed ten working days between the date of mailing the Agreement and the date the executed contract must be returned to the Designated Official. This form of agreement is a written record of the business arrangement between the municipality and the contractor. It is the most formal part of the contract and should be kept as simple as possible. Items which should be included in the agreement are as follows:

- (a) the purpose of the business arrangement between the parties
- (b) the binding of heirs, assigns and successors, and
- (c) the date and place of execution and the signature

If the tenderer is a corporation, the seal of the corporation must accompany the signature. If the tenderer is a private individual his signature must be witnessed. A by-law of the municipality is required to authorize the proper officers to sign on behalf of the municipality.

A specimen form of by-law and agreement will be found in Appendix.

7:10 ACTION ON ACCEPTANCE OF CONTRACT

As soon as copies of the executed contract and bonds, etc., if any, are returned and found acceptable to the Designated Official the deposit cheques of the successful bidder and the second low bidder shall be returned by registered mail.

7:11 ACTION WHEN SUCCESSFUL BIDDER DOES NOT FINALIZE CONTRACT

If a contract has been awarded and the successful low bidder fails to sign the contract or provide a contract bond, cash or other acceptable collateral within the specified time, the Designated Official may grant additional time to fulfill the necessary requirements or may recommend one of the following:

(i) that the contract shall be awarded to the next higher bidder

(ii) that the contract shall be cancelled

In the case of (i) or (ii) above, the deposit of the low bidder shall be forfeited. If a contract is to be awarded to the second low bidder his deposit cheque shall be retained until he has actually signed the contract.

If the second low bidder fails, or declines, to execute the contract if awarded to him, his deposit shall be forfeited.

(APPENDIX)

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SPECIMEN TENDER FORM

LUMP SUM

To the \_\_\_\_\_ and Council,  
Corporation of \_\_\_\_\_ hereinafter  
called the "Municipality"

TENDER FOR:  
Under Contract No. \_\_\_\_\_

By \_\_\_\_\_  
(Name of Firm or Individual Tendering)

Address \_\_\_\_\_

Name of Person Signing for Firm \_\_\_\_\_

Position of Person Signing for Firm \_\_\_\_\_

I/WE, the undersigned, having carefully examined the site of the proposed work, and having read, understood, and accepted the Provisions, Plans, Specifications and Conditions attached hereto, each and all of which form part of this tender, hereby offer to furnish all machinery, tools, labour, apparatus, plant and other means of construction; all materials, except as otherwise specified in the Contract; and to complete the work in strict accordance with the Provisions, Plans, Specifications and Conditions hereto attached for the lump sum price of:

_____ dollars (in words)	(\$ _____ ) (in figures)
The estimated cost of material to be incorporated in the work is	\$ _____
The estimated cost of labour and all other charges is	\$ _____
Total (must equal lump sum bid)	\$ _____

Attached to this Tender is a certified cheque in the amount specified in the "Tender and Bonding Requirements" made payable to the \_\_\_\_\_, the proceeds of which shall, upon acceptance of this tender, constitute a deposit which shall be forfeited to the Municipality if I/WE fail to file with the Municipality the completed Performance Bond specified in the "Tender and Bonding Requirements" and an executed form of Agreement for the performance of the work within ten (10) days from the date of notification of the acceptance of this tender by the Municipality.

I/WE hereby agree that notification of acceptance of this tender shall be in writing, and may be sent by prepaid post, and if sent by prepaid post, acceptance shall be deemed to have been made on the date of the mailing of such notification.

I/WE hereby agree that the work specified in this contract will be performed in strict accordance with the following Provisions, Plans, Specifications and Conditions:

- A. Special Provisions:
- B. Plans:
- C. Standard Specifications:
- D. General Conditions:

Signed at the \_\_\_\_\_ of \_\_\_\_\_ in the  
County of \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_  
19 \_\_\_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Corporation witnesses  
and position held

\_\_\_\_\_  
Signature of Contractor or seal of  
the Corporation

SPECIMEN TENDER FORM

LUMP SUM WITH SCHEDULE OF UNIT  
PRICES FOR ADDITIONS AND DELETIONS

The \_\_\_\_\_ and Council,  
Corporation of \_\_\_\_\_ hereinafter  
called the "Municipality"

TENDER FOR:

Under Contract No. \_\_\_\_\_

By \_\_\_\_\_  
(Name of Firm or Individual Tendering)

Address \_\_\_\_\_

Name of Person Signing for Firm \_\_\_\_\_

Position of Person Signing for Firm \_\_\_\_\_

I/WE, the undersigned, having carefully examined the site of the proposed work, and having read, understood, and accepted the Provisions, Plans, Specifications and Conditions attached hereto, each and all of which form part of this tender, hereby offer to furnish all machinery, tools, labour, apparatus, plant and other means of construction; all materials, except as otherwise specified in the Contract; and to complete the work in strict accordance with the Provisions, Plans, Specifications and Conditions hereto attached for the lump sum price of:

_____ dollars (in words)	\$	_____ (in figures)
The estimated cost of material to be incorporated in the work is	\$	_____
The estimated cost of labour and all other charges is	\$	_____
Total (must equal lump sum bid)	\$	_____

Should additions to or reductions from the dimensions shown on the Plan be made, additions to or deletions from the above price shall be as follows:

<u>Item No.</u>	<u>Description of Item</u>	<u>Unit</u>	<u>Unit Price</u>
-----------------	----------------------------	-------------	-------------------

Attached to this Tender is a certified cheque in the amount specified in the "Tender and Bonding Requirements", made payable to the \_\_\_\_\_, the proceeds of which shall, upon acceptance by the Municipality of this tender, constitute a deposit which shall be forfeited to the Municipality if I/WE fail to file with the Municipality the completed Performance Bond specified in the "Tender and Bonding Requirements" and an executed form of Agreement for the performance of the work within ten (10) days from the date of notification of the acceptance of this tender by the Municipality.

I/WE hereby agree that notification of acceptance of this tender shall be in writing, and may be sent by prepaid post, and if sent by prepaid post, acceptance shall be deemed to have been made on the date of mailing of such notification.

I/WE hereby agree that the work specified in this contract will be performed in strict accordance with the the following Provisions, Plans, Specifications and Conditions.

- A. Specail Provisions:
- B. Plans:
- C. Standard Specifications:
- D. General Conditions:

Signed at the \_\_\_\_\_ of \_\_\_\_\_ in the  
County of \_\_\_\_\_ this \_\_\_\_\_ day of  
\_\_\_\_\_ 19 \_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

Signature of Corporation witnesses  
and position held

Signature of Contractor or seal  
of the Corporation



SPECIMEN TENDER FORM

UNIT PRICE

The \_\_\_\_\_ and Council  
Corporation of \_\_\_\_\_ hereinafter  
called the "Municipality"

TENDER FOR:

Under Contract No. \_\_\_\_\_

By \_\_\_\_\_  
(Name of Firm of Individual Tendering)

Address \_\_\_\_\_

Name of Person Signing for Firm \_\_\_\_\_

Position of Person Signing for Firm \_\_\_\_\_

I/WE, the undersigned, having carefully examined the site of the proposed work, and having read, understood and accepted the Provisions, Plans, Specifications and Conditions attached hereto, each and all of which form part of this tender, hereby offer to furnish all machinery, tools, labour, apparatus, plant and other means of construction; all materials, except as otherwise stated in the Contract; and to complete the work in strict accordance with the Provisions, Plans, Specifications and Conditions hereto attached for the unit prices shown in the attached Schedule of Prices which forms part of this tender.

Attached to this Tender is a certified cheque in the amount specified in the "Tender and Bonding Requirements", made payable to the \_\_\_\_\_, the proceeds of which, upon acceptance of this tender, shall constitute a deposit which shall be forfeited to the Municipality if I/WE fail to file with the Municipality the complete Performance Bond specified in the "Tender and Bonding Requirements" and an executed form of Agreement for the performance of the work within ten (10) days from the date of notification of the acceptance of this tender by the Municipality.

I/WE hereby agree that notification of acceptance of this tender shall be in writing, and may be sent by prepaid post, and if sent by prepaid post, acceptance shall be deemed to have been made on the date of the mailing of such notification.

SCHEDULE OF UNIT PRICES ATTACHED TO  
AND FORMING PART OF THE TENDER FOR  
CONTRACT NO. \_\_\_\_\_

Item No.	Spec. No.	Description of Item	Unit	Est. Quan.	Unit Price	Total
Total Tender Amount \$						_____
The estimated cost of material to be incorporated in the work is					\$	_____
The estimated cost of labour and all other charges is					\$	_____
Total (must equal Total Tender Amount)					\$	_____

I/WE hereby agree that the work specified in the contract will be performed in strict accordance with the following Provisions, Plans, Specifications and Conditions:

- A. Special Provisions:
- B. Plans:
- C. Standard Specifications:
- D. General Conditions:

Signed at the \_\_\_\_\_ of \_\_\_\_\_ in the  
County \_\_\_\_\_ this \_\_\_\_\_ day of  
\_\_\_\_\_ 19 \_\_.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Corporation  
witnesses and position held

Signature of Contractor or seal  
of the Corporation

TYPICAL ADVERTISEMENT

COUNTY OF SMITH  
TENDERS FOR STRUCTURE  
Contract No. 70-8

Sealed tenders on forms supplied by the County will be received by the undersigned until 2:00 P.M. local time on

WEDNESDAY, FEBRUARY 14th, 1970

for the construction of a 30 ft. concrete rigid frame bridge on County Road Number 2 across the Fourth River in Lot 12 of Concession III, Township of Blank. Approximate quantity of concrete is 300 cubic yards.

Only those tenderers that have submitted Ministry of Transportation and Communications form P.Q.C.-MR and qualified will be considered. (if applicable)  
The necessary rating for this project is (2) in (S).

Plans, specifications, tender forms and tender envelopes may be obtained from the undersigned:

- for a fee of ten dollars (\$10.00) which is non-refundable (as
- at no charge
- for a fee of ten dollars (\$10.00) which is refundable when tendering material is returned in good order. (desired)

A certified cheque, not less than the amount specified in the Tender and Bonding Requirements must accompany each tender and the successful bidder will be required to provide a 100% Performance Bond upon execution of the contract agreement.

Tenders will be opened publicly at 2:15 P.M. local time Wednesday, February 14th, 1970 in the 2nd Floor Committee Room, 150 Berryman Avenue, Birch, Ontario.

The lowest or any tender will not necessarily be accepted.

R.E. Jones,  
County Engineer,  
County Building,  
Birch, Ontario.

TYPICAL TENDER AND BONDING REQUIREMENTS

COUNTY OF SMITH  
CONTRACT 70-8

1. Tenders for the construction of a rigid frame concrete bridge on Smith County Road 2 in Lot 12, Concession III, Blank Township, 1/2 mile east of North Spruce and Highway 20, will be received until 2:00 P.M. E.S.T., Wednesday, February 14th, 1970.
2. Tenders shall be enclosed in a sealed envelope marked in the lower left-hand corner "TENDER FOR CONTRACT 70-8" and be addressed to Mr. R.E. Jones, County Engineer, P.O. Box 298, Birch, Ontario. If tenders are delivered by hand they shall be taken to the office of the County Engineer, Birch, Ontario.
3. Each tender must be accompanied by certified cheque made payable to the County of Smith, equal to or greater than the amount shown in the following table, and must be enclosed in the same envelope as the tender.

<u>Amount of Contractor's Tender</u>	<u>Minimum Deposit Required</u>
20,000.00 or less	1,000.00
20,000.01 to 50,000.00	2,000.00
50,000.01 to 100,000.00	5,000.00
100,000.01 to 250,000.00	10,000.00
250,000.01 to 500,000.00	25,000.00
500,000.01 to 1,000,000.00	50,000.00
1,000,000.01 to 2,000,000.00	100,000.00
2,000,000.01 and over	200,000.00

4. Each tender must be accompanied by the attached Agreement to Bond form completed by the Bonding Company.
5. When the contract agreement is signed the successful bidder must furnish a Performance Bond issued by the Bonding Company for 100% of the amount of the Tender, or 100% of the amount of the Tender in cash or acceptable collateral.
6. Tenders shall be submitted on the Tender Form attached hereto and must be properly signed and witnessed, or signed and sealed if the bidder is a Corporation.
7. The Tender must be legible and all items must be bid. Tenders which are incomplete, unbalanced, conditional, or obscure, or which contain erasures or alterations not properly initialled, or irregularities of any kind, may be rejected as informal or void.

SPECIMEN AGREEMENT TO BOND FORM

We, the undersigned, hereby agree to become bound as Surety for

\_\_\_\_\_ in a bond totalling One Hundred Per Cent (100%) of the contract amount, and conforming to the Instruments of Contract attached hereto, for the full and due performance of the works shown as described herein, if the tender for \_\_\_\_\_

is accepted by the Owner.

It is a condition of this Agreement that if the above-mentioned Tender is accepted, application for a Performance Bond must be completed with the undersigned within ten (10) days of acceptance of the tender related hereto, otherwise this agreement shall be null and void.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_.

\_\_\_\_\_  
Name of Bonding Company

\_\_\_\_\_  
Signature of Authorized Person  
Signing for Company

(Company Seal)

\_\_\_\_\_  
Position



SPECIMEN BY-LAW FORM FOR ACCEPTANCE OF TENDERS

BY-LAW NO. \_\_\_\_\_

It is hereby enacted by the Corporation  
of the \_\_\_\_\_ of \_\_\_\_\_ that  
the tender of \_\_\_\_\_  
for \_\_\_\_\_  
submitted on the \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_  
for the amount of \$ \_\_\_\_\_ is accepted.

Read a first, second  
and third time and  
passed on this \_\_\_\_\_  
day of \_\_\_\_\_ 19 \_\_\_\_.

Municipal Seal

\_\_\_\_\_

\_\_\_\_\_

Designated Signing Officers of the  
Municipality

SPECIMEN AGREEMENT

THIS AGREEMENT made in duplicate this \_\_\_\_\_ day of \_\_\_\_\_ 19 \_\_\_\_

BETWEEN: \_\_\_\_\_ of the \_\_\_\_\_ in the District or County of \_\_\_\_\_ and Province of Ontario hereinafter called the "Contractor"

THE PARTY OF THE FIRST PART

\_\_\_\_\_ and \_\_\_\_\_

THE CORPORATION OF THE \_\_\_\_\_ of \_\_\_\_\_

hereinafter called the "Municipality"

THE PARTY OF THE SECOND PART

WITNESSETH, that the party of the first part, for and in consideration of the payment or payments specified in the Tender for this work, hereby agrees to furnish all necessary machinery, tools, equipment, supplies, labour and other means of construction and, to the satisfaction of the Engineer, to do all the work as described hereafter, furnish all the materials except as herein otherwise specified, and to complete such works in strict accordance with the plans, specifications and Tender therefore, which are identified and acknowledged in the Schedule of Provisions, Plans, Specifications and Conditions attached to the Tender and all of which are to be read herewith and form part of this present Agreement as fully and completely to all intents and purposes as though all the stipulations hereof have been embodied herein.

DESCRIPTION OF THE WORK

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



IN CONSIDERATION WHEREOF, Said party of the second part agrees to pay to the Contractor for all work done, the unit prices on the Tender.

This agreement shall ensure to the benefit of and the binding upon the heirs, executors, administrators and assigns of the parties hereto.

IN WITNESS WHEREOF, the Contractor and the Municipality have hereunto signed their names and set their seals on the day first above written.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of Corporation witnesses  
and position held

\_\_\_\_\_

Signature of Contractor or Seal  
of the Corporation

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Signature of designated Municipal  
Officers and position held

\_\_\_\_\_

Seal of The Municipal Corporation

If the Contract documents contain a Liquidated Damages clause the following paragraphs should be inserted following DESCRIPTION OF THE WORKS.

"The Contractor further agrees that he will deliver the whole of the works completed in accordance with this Agreement within the time stipulated in the General Special Provision Number \_\_\_\_\_ entitled "Liquidated Damages".

The Contractor agrees that any monies due the municipality as a result of non-completion of the works within the time stipulated may be deducted from any monies due the contractor on any account whatsoever".

Municipality of \_\_\_\_\_

Contractor's Notice of Withdrawal

Date of Tender Opening \_\_\_\_\_ 19\_\_

Time \_\_\_\_\_

Name of Contractor \_\_\_\_\_

- (a) Contracts on which the above contractor is provisionally the low bidder at this tender opening prior to the time noted above

\_\_\_\_\_

\_\_\_\_\_

- (b) Contracts yet to be opened at this tender opening on which the above contractor has submitted tender which he wishes to be withdrawn

\_\_\_\_\_

\_\_\_\_\_

The undersigned who is a duly authorized signing officer of

\_\_\_\_\_

(Name of Contractor)

requests that the tenders listed in (b) above be withdrawn.

The undersigned hereby authorizes the Municipality of \_\_\_\_\_, Ontario, to withdraw the tenders listed in (b) above. Furthermore he understands that he may not subsequently revoke this request notwithstanding the fact that he may not be declared the lowest bidder on some or all of the contracts listed in (a) above.

\_\_\_\_\_

Witness

\_\_\_\_\_

Signed

\_\_\_\_\_

Title

QUALIFICATION PROCEDURES DEVELOPED BY THE  
MINISTRY OF TRANSPORTATION AND COMMUNICATIONS - ONTARIO  
APPLICABLE TO MUNICIPALITIES

1. INTRODUCTION

The Qualification Procedures developed by the Ministry of Transportation and Communications - Ontario and the resulting "qualification rating" have proven to be very useful to the tendering system in the Ministry. Similarly, the municipalities which are using this information have expressed satisfaction with the results.

- The purpose of this directive is to restate the procedures to be followed by municipalities utilizing this service and to outline the Ministry's current position.

2. BRIEF DESCRIPTION OF QUALIFICATION PROCEDURES

The Basic Rating compiled by the Ministry is based on the Contractor's financial resources, including equipment.

From this Basic Rating, an adjustment is made for experience and any penalties where applicable to arrive at the ADJUSTED RATING.

- From the Adjusted Rating, or Basic Rating if no adjustments have been applied, there is a deduction made of the net value of all uncompleted work a Contractor presently has on hand and all the work on which he has been read out as low bidder whether for the Ministry or other owners. The result of this calculation is called the AVAILABLE RATING.

3. APPLICATION

The qualification procedures govern all types of work but are not usually applied to contracts of less than \$50,000.00.

4. CLASSIFICATION OF WORK

GRADING

G - Grading

- Grading and granular base course
- Grading, granular base course and hot mix paving.

PAVING

P - Hot mix asphalt paving

- Granular base course and hot mix paving.

CONCRETE PAVING

C - Granular base course and concrete paving.

STRUCTURES

S - All structure contracts.

MISCELLANEOUS

M - Maintenance or miscellaneous contracts.

For purposes of advertising, the dollar values of available ratings are in a numerical code as follows:

NECESSARY AVAILABLE RATING NUMBER	MINIMUM NECESSARY AVAILABLE RATING
1	\$ 25,000.00
2	\$ 100,000.00
3	\$ 250,000.00
4	\$ 500,000.00
5	\$ 1,000,000.00
6	\$ 2,000,000.00
7	\$ 3,000,000.00
8	\$ 5,000,000.00
9 over	\$10,000,000.00

As an example a notice to qualified contractors should stipulate a necessary Available Rating such as 5 in (G) or (S) with a minimum of 5 in (G) and 3 in (S). In such a case, tender forms would only be provided to contractors who have a minimum Available Rating in (G) of \$1,000,00.00 and in (S) of \$250,000.00 with an overall available rating in either (G) or (S) of at least \$1,000,000.00.

5. PROCEDURE TO BE FOLLOWED BY MUNICIPALITIES

The following steps should be followed by municipalities wishing to make use of the Ministry's facilities to place their tender calling on a prequalified basis:

A. PRE-ADVERTISEMENT

- i) The requirement that bidders must have a specific available qualification rating should be made a condition of the municipal tender Form and should be approved by prior resolution of Council for each tender.
- ii) The specific available rating required for the job should not be the engineering estimate. It should always vary from the engineering estimate to ensure bidders are not relying thereon for cost estimates and should reflect any special conditions or standards of construction required by the contract. For example, an involved contract may require a higher rating and conversely a much less involved contract may require a lower rating.

B. ADVERTISEMENT & ACCEPTANCE OF TENDER

- i) The advertisements for contracts should indicate that bids will be restricted to qualified contractors and should also indicate the minimum Available Rating(s) required. The form of a typical advertisement is as follows:

NOTICE TO QUALIFIED CONTRACTORS GRADING, DRAINAGE,  
GRANULAR BASE AND STRUCTURES  
Necessary Available Rating is (5) in (G) or (S) with  
a minimum of (5) in (G) and (3) in (S)

- ii) A copy of the advertisement should be sent to:

- Qualification Accountant  
Financial Comptroller's Branch  
Ministry of Transportation and Communications  
1201 Wilson Avenue  
Downsview, Ontario M3M 1J8

together with a request for a supply of Prequalification Forms  
P.Q.C. - M.R.

- iii) The municipality will supply interested contractors with forms P.Q.C. - M.R., plans, specifications and tender forms marked "FOR INFORMATION ONLY".
- iv) The municipality will ask the contractor to complete form P.Q.C. - M.R. and forward it directly to the Qualification Accountant.
- v) The Qualification Accountant will then advise the municipality by letter of the Contractor's request to bid on the Qualified Contract. The form letter is as follows:

"CONFIDENTIAL"  
Municipal Engineer and Address  
Contract Number  
Contractor's Name and Address

Pursuant to the Qualification Procedures, the above named company is qualified to bid on your contract.

Please note that Post-Qualification is forbidden on tenders called under these procedures.

Signed  
Qualification Accountant

NOTE: The list of qualified bidders should be considered confidential.

- vi) On receipt of the above letter, the Municipality will forward the Qualified Tender Forms directly to the contractor.

- vii) After the tender opening and on the same day, the Municipality will furnish the Qualification Accountant with a list of the bidders and the amount of their tenders. Phone call, if necessary, should be placed to telephone number 248-3465, area code 416.
- viii) Within 3 days after acceptance of a tender by Municipal Council, the Qualification Accountant will be notified of the award.

#### 6. CONTRACTOR'S INFRACTION REPORT

Where the quality or the performance of a Contractor's work is unsatisfactory, the Municipality must submit an Infraction Report Form No. PB-CC-50A supported by factual evidence to the Municipal Engineer of the local M.T.C. office. This report must include information on the following:

##### A. Quality of work

- i) Poor Quality directly or partially attributable to Contractor.

##### B. Performance of the Contractor:

- i) Failure to comply with Schedule or Contract Requirements as to: - Commencement on Approved Specified Date; Maintenance of Approved Scheduled Rate of Progress; Completion by Approved completion date.
- ii) Failure to Discharge Liabilities.
- iii) Failure to maintain Public Relations.
- iv) Failure to provide Adequate Organization, Co-operation, Personnel or Equipment.
- v) Failure to comply with Other Contractual Conditions or Specifications.

#### 7. CONTRACTOR'S PERFORMANCE REPORT

On completion of the contract, the Municipality must submit a Contractor's Performance Report Form OB-CC-14 to the Municipal Engineer of the local M.T.C. office. This report shall contain information under the following headings:-

- A. Administration
- B. Co-operation of Contractor to Produce Quality of Work
- C. Public Relations
- D. Adherence to Regulations and Specifications
- E. Condition and Sufficiency of Equipment
- F. Name(s) and Comments on Sub-Contractor(s).

For further information regarding items 6 and 7, please contact your M.T.C. District Engineer.

8. POST QUALIFICATION

Post-Qualification is forbidden on tenders called under these procedures. Any breach of this condition by a municipality will result in the cancellation of its privileges under this sytem.

9. QUALIFICATION PROCEDURES FOR CONTRACTORS

A copy of the "M.T.C. Qualification Procedures" is available from the Ministry if required.







